

The complaint

Mr K complains that Volkswagen Financial Services (UK) Limited trading as Audi Financial Services (VWFS) didn't pay the first three months' instalments on his hire purchase agreement (HPA) as had been agreed.

What happened

Mr K entered into a HPA with VWFS in September 2020. He says that as part of the deal, VWFS were to pay the first three monthly payments but this didn't happen. Mr K wants the three monthly payments applied to his agreement and any interest adjustment to be made as well as compensation for the distress and inconvenience this issue has caused.

VWFS issued a final response letter in August 2021 not upholding Mr K's complaint. It says that the agreement was set up correctly with the three months deferred payment.

Our investigator didn't uphold this complaint. She thought the agreement had clearly set out the first three months would be a payment holiday. She considered the promotional product information and said this explained that the interest rate would be adjusted to reduce the amount payable by an equivalent of three monthly payments and was satisfied that Mr K had received the advertised discount. She also considered the concerns raised by Mr K about the registration plate recorded in the agreement and thought it reasonable to accept that Mr K had been provided with the car he had intended to acquire. Overall, she didn't think the issues Mr K had raised had resulted in him suffering any detriment.

Mr K didn't accept our investigator's view. He said the advertising was misleading and the information given to him when he acquired the car was incorrect. He says he was told an amount of £2,000 would be credited to his agreement and that he reduced his deposit payment and increased his monthly instalments to ensure the maximum contribution. He says at no time was he told the interest rate would be reduced to create a saving.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr K acquired a car through a HPA with the '*3 months on us*' promotion. He has sent information about the promotion which says the business will pay the first three monthly payments and has explained that this was a factor in his decision to acquire the car. I can understand why he is upset as he feels the three monthly payments haven't been made by VWFS and so believes the agreement was mis-sold.

I have considered the information provided and Mr K's comments about the conversation he had. I have placed weight on the documents provided to decide whether the agreement was clearly explained to Mr K and whether he has been adversely affected by the issue raised in this complaint.

Looking at the agreement Mr K signed, this clearly sets out the payments due and the interest rate. It sets out that *'45 monthly repayments of £745.66, on the same date of each successive month, save that there will be a Payment Holiday in month(s) 1,2 and 3; followed by a final payment 48 months after the date set for the first repayment.* I think this clearly explains the amounts that Mr K was required to pay and that he would receive a payment holiday for the first three months.

The promotional information has been provided and this explains that the customer pays nothing for the first three months and VWFS contribute towards this cost. The contribution is made by a reduction in the interest rate. I understand Mr K's comments that he wasn't made aware that the contribution would be made in this way but as he wasn't charged for the first three months as per the agreement and I have nothing to suggest that he hasn't benefitted from the interest reduction to an amount in line with the three monthly payments, I do not find I can say that he has been disadvantaged.

I note Mr K's comment about the registration number on the agreement. It isn't our role to say whether an agreement is enforceable or not, that is for the courts to decide but as our investigator set out, it does appear that Mr K was provided with the car he intended to acquire.

Overall, while I can understand why Mr K is upset by his experience, I do not find that I can say he hasn't received the benefit that was offered. Because of this I do not find I have enough to uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 21 February 2022.

Jane Archer
Ombudsman